
By: **Delegates King, Amedori, Barkley, Boschert, Bozman, Bronrott,
G. Clagett, Cryor, Dumais, Feldman, Gilleland, Gutierrez, Heller,
Jameson, Lee, Myers, ~~and Simmons~~ Simmons, Goodwin, Kaiser, Ross,
Bartlett, McKee, Marriott, Hixson, Healey, C. Davis, Howard, Gordon,
Patterson, Cardin, Ramirez, and Elmore**

Introduced and read first time: January 29, 2004
Assigned to: Ways and Means

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 16, 2004

CHAPTER _____

1 AN ACT concerning

2 **Higher Education - Student Financial Assistance Fund**

3 FOR the purpose of establishing the Student Financial Assistance Fund in the Office
4 of Student Financial Assistance in the Maryland Higher Education Commission;
5 establishing a funding source for the Fund; providing for the use of the Fund
6 and expenditures from the Fund; providing for the application of this Act; and
7 generally relating to the Student Financial Assistance Fund.

8 BY adding to
9 Article - Education
10 Section 18-114
11 Annotated Code of Maryland
12 (2001 Replacement Volume and 2003 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Education**

16 18-114.

17 (A) IN THIS SECTION, "FUND" MEANS THE STUDENT FINANCIAL ASSISTANCE
18 FUND.

1 (B) (1) THERE IS A STUDENT FINANCIAL ASSISTANCE FUND IN THE OFFICE.

2 (2) THE FUND IS A CONTINUING, NONLAPSING FUND THAT IS NOT
3 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

4 (3) THE TREASURER SHALL SEPARATELY HOLD AND THE COMPTROLLER
5 SHALL ACCOUNT FOR THE FUND.

6 (4) THE FUND SHALL BE INVESTED AND REINVESTED IN THE SAME
7 MANNER AS OTHER STATE FUNDS.

8 (5) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO
9 THE FUND.

10 (C) THE FUND CONSISTS OF REPAYMENT OBLIGATIONS INCURRED BY
11 RECIPIENTS OF STUDENT FINANCIAL ASSISTANCE, SCHOLARSHIPS, OR GRANTS
12 ADMINISTERED BY THE COMMISSION UNDER THIS TITLE AND PAID TO THE STATE.

13 (D) EXPENDITURES FROM THE FUND SHALL BE MADE BY AN APPROPRIATION
14 IN THE ANNUAL STATE BUDGET OR BY APPROVED BUDGET AMENDMENT AS
15 PROVIDED UNDER § 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

16 (E) THE MONEY IN THE FUND SHALL BE USED FOR FINANCIAL ASSISTANCE,
17 SCHOLARSHIPS, OR GRANTS ~~ADMINISTERED BY THE COMMISSION UNDER THIS TITLE~~
18 PROVIDED THROUGH THE MARYLAND TEACHER SCHOLARSHIP, SHARON CHRISTA
19 MCAULIFFE MEMORIAL TEACHER EDUCATION AWARD, AND DISTINGUISHED
20 SCHOLAR TEACHER AWARD PROGRAMS.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to
22 repayment obligations received by the Maryland Higher Education Commission on or
23 after July 1, 2005.

24 SECTION 2-3. AND BE IT FURTHER ENACTED, That this Act shall take
25 effect July 1, 2004.